

2 or 3 years, but not for the next 10 years, we will hear a lot of talk from the critics about the need to postpone or repeal last year's bipartisan tax cut. The critics say we should revisit the tax cut for two reasons. First, they claim the tax cut is responsible for a return of budget deficits; second, the critics claim the tax cut will jeopardize our long-term economic growth. I will consider each of these claims.

According to the CBO projections, the tax cut is responsible for less than 15 percent of the reduction in this year's surplus and less than 40 percent of the reduction in the surpluses for the 10 years we project ahead. The slowdown in our economy and the additional spending enacted last year are responsible for most of the deterioration in our budget outlay. The second criticism is that the tax cut will reduce the surplus, thereby exerting upward pressure on interest rates and reduce future economic growth.

A recent study by the congressional Joint Economic Committee concludes there is no evidence to support the criticism that interest rates rise because there is budget surplus or that there is a relationship.

According to the Joint Economic Committee:

Empirical studies on interest rates have uniformly failed to find any statistical significant relationship between interest rates and the budget balance of the U.S. government.

This result is likely due to the fact that the deficits we have seen in the past were not large enough to affect the interest rates given the overall size of our financial markets which would also include the global financial markets.

If the tax cut is not responsible for the rising deficits and higher interest rates, then why do the critics still complain? Maybe they have not read the studies to which I have referred.

Based on the studies, I asked critics the legitimate question, What is there to complain about? One reason I believe they want to delay repeal of the tax cuts is because they have a desire to spend the money, which, in the end, actually, then, if you spend it, because you increase taxes, you still do not have any less deficit.

Some critics have already announced they have plans to spend the money by raising taxes, or delaying the tax cuts, as they call it. As other spending plans become public, it will become obvious their cries for fiscal discipline are nothing more than crocodile tears.

In addition to the critics who want to spend the tax cut, there are also critics who insist we cannot afford the tax cut because our long-term budget projections show Federal spending will exceed revenue by 25 percent within the next 50 years. To argue, as they do, that we cannot afford a modest tax cut today because we will need a huge tax increase in future years ignores the obvious: Congress cannot provide more government than the taxpayers are

willing to pay for. Through our country's history, the Federal Government has never taken more than one-fifth of our Nation's income in taxes. That includes even in wartime. If we are not willing to pay 25 percent more for government, if we are not willing to do that now, why should we be willing to put ourselves into a spending policy where we expect our children and grandchildren to have higher taxes so they can pay for programs we instituted at a time when we were not willing to put taxes higher than they have ever been in the history of our country? Our challenge today is to get beyond the rhetoric and make affordable government once again.

In addition to this point, as we prepare for the next budget season, I participated today in the Budget Committee review of the CBO report. Once again we are having this issue brought up about the tax cut being responsible for the budget deficits, as opposed to the war on terrorism, as opposed to the recession that is a result of the war on terrorism, and some technical budget adjustments that are made annually.

In regard to the accusation that the tax cuts proposed by President Bush in the last election, and then in turn enacted by Congress—and in turn when it was enacted, it was enacted as a bipartisan tax relief package because several members of the Democratic Party voted for it—in regard to that being the cause of the deficit, as is the insinuation on the part of those people who make that argument, I made the point this morning, and I would like to repeat the point I made in the Budget Committee to the Members of the entire Senate, that if you look at the \$1.3 billion tax cut the bipartisan Members of this body voted for and the President signed on June 7, and you say that is the cause of the deficit, you have to also look at the fact that there was an alternative called the Daschle-Carnahan amendment that was offered that was \$1.265 trillion, just 6-percent less than what the President signed.

That amendment got 48 votes. It lost, but almost every member of the Democratic Party voted for that amendment.

So whether you look at \$1.3 billion that passed by a bipartisan majority, and a pretty overwhelming majority, or whether you look at the Daschle-Carnahan amendment, we have all but two or three Members of this Senate who voted for tax cuts of at least \$1.265 trillion or the 6-percent higher figure that was finally adopted of \$1.3 trillion. Either way, just considering that 6-percent differential, you are going to end up with about the same budget deficit situation, short term or long term, under a policy either way that was backed by all but about two or three Members of this body last spring.

So my point is this: It is wrong for Democratic leaders to blame the bipartisan tax cut that the President signed on June 7 for the deficit situation without taking credit themselves for back-

ing such a tax policy that was only 6-percent less than what the President had already proposed.

So I don't think we have a bad situation because of the reduction of taxes. We have a bad situation because of the war on terrorism, the economic recession caused by the war on terrorism, because of technical adjustments in the budget, and because of the additional appropriations we had to have for the military and for the domestic war on terrorism.

That is where it is. But if you want to blame taxes, there are 97 or 98 of us in this body who have to share that blame, not just the 48 Republicans and 12 Democrats who voted for the bill the President signed.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWNBACK. Mr. President, I ask unanimous consent to speak as in morning business for up to 5 minutes.

The PRESIDING OFFICER. The Senate is in morning business. The Senator from Kansas is recognized.

NOMINATION OF UNITED STATES AMBASSADOR TO THE PHILIPPINES

Mr. BROWNBACK. Mr. President, I rise to bring to the attention of the Senate a situation on which we need to take some action. Presently in the Philippines there are two Kansans being held hostage by a group of terrorists called the Abu Sayf group. It has links to al-Qaida and bin Laden. They got their start through al-Qaida and bin Laden and now are operating in the Philippines.

They have taken a number of people hostage over a period of 8 months. A number of these individuals have been released. One has been beheaded, a Californian. The two who are Kansans and a Filipino remain hostage. This matter was discussed on the TV show, "48 Hours," Monday night of this week.

They are in a desperate situation; Martin and Gracia Burnham are the two Kansans. They are missionaries. Their parents are missionaries in the Philippines. They have taken up that calling as well. They were there and taken hostage and have been held by this group now for 8 months.

The Senate has before us, nominated to be the United States Ambassador to the Philippines, Ambassador-designate Ricciardone. He is qualified and knowledgeable. He was cleared through the Senate Foreign Relations Committee. He is the appropriate and right person for this job. He remains stalled in this body, unfortunately, at this point in time.

I take this opportunity to ask my colleagues if there is a way that we could get this nomination cleared. I know there are a number of difficult and nettlesome issues in front of the Senate, and sometimes things are associated one with the other. But if possible, if we could free this nomination to move it forward so the United States would have an ambassador to the Philippines to negotiate and to see to the safe release of these two hostages, it would be important to America, important to the Philippines, and to the overall world effort.

The United States is involved in some delicate issues with the Philippines at the present time. I will not speak about that. The current issue I am concerned about is not only the work the United States is doing with the Philippines—the Philippine military has taken on this exercise to free the Burnhams; they have been aggressively pursuing the terrorist group for some period of time—but we need a leader from the United States. We need our ambassador to the Philippines in this delicate situation.

If the Presiding Officer or other Members of the Senate could have seen “48 Hours,” they would have seen Gracia Burnham pleading: Will somebody please show us mercy. Will somebody please notice that we are here and help us out. She said that morning she awakened with chest pains. They are living in the jungle, being moved daily and on the run. It is a difficult, horrible situation. They need our key representative in that country.

I ask other Members of the Senate to please consider and see fit to moving forward on this nomination that has cleared unanimously the Senate Foreign Relations Committee—a professional, highly qualified for this position, which would mean so much for our efforts in the Philippines to date. If my colleagues could see to that, this would be an important addition to the international portfolio of ambassadors.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. CLINTON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. STABENOW). Without objection, it is so ordered.

The Senator from New York.

NEW YORK'S GROUND ZERO CLEANUP: AHEAD OF SCHEDULE AND UNDER BUDGET

Mrs. CLINTON. Madam President, along with my colleague Senator SCHUMER, and Congressman NADLER in the House, I reaffirm the commitment of this Congress and this Nation to the rebuilding of New York.

One hundred thirty-five days after the worst attacks in history on U.S.

soil, I ask my colleagues to join me in a pledge to fulfill our promise to all Americans to make New York—our financial, our cultural, and media heart—whole again.

The World Trade Center attacks claimed the lives of close to 3,000 of our fellow citizens, as well as those who had come from other countries to America seeking a better life. The emotional toll has been staggering. I have met with countless family members who lost mothers and fathers, sisters and brothers, husbands and wives, daughters and sons. While there is nothing we can say or do that will bring these loved ones back to their families, the outpouring of compassion and kindness from all over the Nation has brought comfort to many.

Along with this heartfelt sympathy, I believe we have an obligation to help not only those who lost their loved ones but also help those who lost their livelihoods rebuild their lives and reclaim their futures.

New Yorkers were comforted when the President and leaders from the House and the Senate came to ground zero and stood in the House and Senate promising to make New York whole again. Their determination in the face of what seemed at the time great odds reinforced the workers who labored day after day, night after night, at ground zero. Despite the many obstacles, the recovery effort has moved forward faster than anyone could have predicted.

Some months ago, I told my colleagues our best estimate was that with 24-hour-day shifts, we would perhaps have to take an entire year to clear the site to be ready to rebuild. I am very proud of the construction workers who have been working day in and day out, often at great personal sacrifice and risk, as well as the contractors who have worked with the city, to the end that we now believe this cleanup effort will be completed 4 months ahead of schedule and billions of dollars under budget.

That does not in any way take away from the fact that the financial toll has been enormous. In fact, the terrorist attacks are estimated to cost New York City and its businesses over \$100 billion in financial losses over the next 2 years. Lower Manhattan's business district has been decimated. Nearly 25 million square feet of office space, 20 percent of all of downtown New York's office space, was damaged or destroyed by the attacks, leaving 850 businesses and over 125,000 workers physically displaced.

The effects of these attacks have also been staggering on New York's workforce. New York City's unemployment rate spiked to 7.4 percent in December, nearly a 3-year high, from 6.9 percent in November. The September 11 attacks ruined our small businesses, destroying and severely impacting nearly 15,000 of them. Businesses that were thriving on September 10, employing people, building a positive future for themselves, were destroyed, and they

remain out of business 4½ months later. We are expected to lose nearly 150,000 jobs, and that is an unsustainable loss.

The number of private sector jobs sank 3 percent last year, more than twice the national rate. We are struggling to make sure the aid that was voted for at the end of last year gets out as quickly as possible, and especially gets into the hands of these small businesses that are desperate for some kind of assistance.

We also face a big job in cleaning up, repairing, and rebuilding the infrastructure. The attacks left 42 percent of Lower Manhattan's subway system unusable. That translates into significant disruptions in the daily commutes of 335,000 passengers who ride to Lower Manhattan every day.

We are going to be getting some positive plans adopted soon, we hope, that will show what needs to be done to repair this infrastructure. I know this body will be there to help.

I have been especially concerned about the air quality at and near ground zero. Many of our rescue workers, firefighters, police officers, construction workers, residents, and others have been complaining of respiratory problems. Some call them the World Trade Center cough or the 9-11 cough. It is a significant health problem.

I have visited with physicians who are treating the firefighters and the construction workers. They are concerned because a lot of people are really encountering severe respiratory problems and developing asthma. We have many families and residents who still are afraid to move back into their homes, leaving large parts of Lower Manhattan uninhabited, leaving buildings that were once prime real estate nearly empty.

I am pleased the Clean Air, Wetlands and Climate Change Subcommittee of the Environment and Public Works Committee has honored my request and will hold a hearing in New York City on these issues in a few weeks. We really do not know the effects of the exposure on those who have been most directly involved in the work at ground zero and others who are within the vicinity, but we owe it to them to find answers. We have to make sure we know what the health risks are for the children who are being asked to move back into the elementary schools that were vacated near ground zero. I am hopeful this hearing will get to the bottom of some of these issues.

We also have to be sure our workforce is not forgotten. So many of them need some extra unemployment insurance. So many are about to lose their health insurance.

I went to a hearing last week that was held with hundreds and hundreds of people. We had testimony from representatives of various groups, and the biggest concern among the workers who had worked in the World Trade Center or at a neighboring business